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ANDREW O. ISAR

4304 92ND AVENUE NW
GIG HARBOR, WA 98335
TELEPHONE: 253.851.6700
FACSIMILE: 866.474.3630
WWW.MILLERISAR.COM

Via ECFS and Overnight Delivery

May 4, 2017

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

RE: *Structure and Practices of the Video Relay Service program*, CG Docket No. 10-51:
*Telecommunications Relay Services and Speech-to-Speech Services for Individuals with
Hearing and Speech Disabilities*, CG Docket No. 03-123, Reply Comments of ASL
Services Holdings, LLC dba GlobalVRS to Further Notice of Proposed Rulemaking
Sections IV.A-B and F

Dear Secretary Dortch:

ASL Services Holdings, LLC dba GlobalVRS ("GlobalVRS") submits to the Commission the attached
*Reply Comments of ASL Services Holdings, LLC dba Global to Further Notice of Proposed Rulemaking
Sections IV.A-B and F*, in the above-referenced matter.

Please acknowledge receipt of this filing by date stamping and returning the additional copy of this
transmittal letter in the self-addressed, postage-paid envelope enclosed for this purpose. Thank you for
your attention to this matter. Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.


Andrew O. Isar

Regulatory Consultants to
ASL Services Holdings, LLC dba GlobalVRS

cc: Commissioner Legal Advisors Nicholas Degani, Amy Bender, Claude Aiken (via Email)
Karen Peltz-Strauss (via Email)
Eliot Greenwald (via Email)
Robert Aldrich (via Email)

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Before the
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In the Matter of)	
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Structure and Practices of the Video Relay)	CG Docket No. 10-51
Service Program)	
)	
Telecommunications Relay Services and)	CG Docket No. 03-123
Speech-to-Speech Services for Individuals with)	
Hearing and Speech Disabilities)	

**REPLY COMMENTS OF ASL SERVICES HOLDINGS, LLC DBA
GLOBALVRS TO
FURTHER NOTICE OF PROPOSED RULEMAKING
SECTIONS IV.A-B AND F**

ASL Services Holdings, LLC dba GlobalVRS ("GlobalVRS") hereby submits reply comments regarding sections IV.A, VRS Compensation Rates; IV.B, Server-Based Routing; and IV.F, Research and Development, to the Further Notice of Proposed Rulemaking portion of the Commission's *Report and Order, Notice of Inquiry, Further Notice of Proposed Rulemaking, and Order*, in the above-referenced proceeding.

Not surprisingly, only the dominant incumbent provider has expressed opposition to a clearly-needed proposed cost reimbursement structure designed to meet the Commission's goals of achieving provider diversity while maintaining Telecommunications Relay Service Program ("Program") stability and long-term sustainability. Apparently not satisfied with maintaining an overwhelming dominance, the dominant provider seeks to solidify its virtual monopolization of the Program through proposals designed to guarantee such an outcome.

The dominant provider can trace its "success" not to innovation, superior service, or efficiency, but rather to years of over compensation beginning at a time of generous Program

reimbursements,¹ its virtual choke-hold over the Deaf Community resulting from proprietary loosely interoperable equipment, and overtly aggressive marketing and business tactics.² Yet the dominant provider would like the Commission to think that these factors are irrelevant, and turns its arguments on its competitors and smaller providers in particular, who are demonized as not serving a “valid economic purpose.”³ ⁴ This is akin to a runner being given a significant head start in a race and then arguing that other runners cannot run fast enough to catch up and should be ejected. It is easy for the dominant provider to speciously claim that other providers are inherently inefficient. And Sorenson’s claims might arguably be defensible *if* the record could point to at least one or more competitors that had made competitive inroads. In fact *no* competitive provider has done so.

In its Comments, GlobalVRS underscored the challenges of assigning the concept of economies of scale applicable in commercial markets to the Program and operating efficiencies in light of the Program’s evolution since the 2013 reforms. The current framework and delayed reforms have precluded competitive providers from being fully compensated for their allowable service costs, have failed to achieve full interoperability, have undermined competitive provider

¹ And extending through the 2013 VRS Reform Order “glide path” cost reimbursement rate reductions.

² *In the Matter of Structure and Practices of the Video Relay Service Program Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Further Notice of Proposed Rulemaking* (March 23, 2014)[2017 FNPRM] at 99.

³ *Comments of Sorenson Communications, LLC Regarding Section IV.A-B and F of the Further Notice of Proposed Rulemaking* page 50 (April 24, 2017) [Sorenson Comments]. “[the emergent tier rate] is simply an unjustified subsidy for two providers that have not been able to attract users...” Sorenson Communications, LLC’s (“Sorenson”) claim that GlobalVRS has “been in business” since 2008 is entirely misleading since the Company did not begin providing Fund eligible VRS until the end of 2011. Nevertheless, the length of time that GlobalVRS’ has provided Fund-eligible VRS is irrelevant. Its inability to “attract users” is a reflection of a myriad of factors, not the least of which is an environment where NO provider has been able to compete against Sorenson, as highlighted in GlobalVRS’ comments and those of the competitive providers.

⁴ GlobalVRS has suggested that further consideration should be given to compensation for the added costs associated with the provision of specialized services such as Spanish language and DeafBlind interpretation. (Sorenson Comments at page 51), but has never held firm to an “emergent tier” as the basis for such additional cost reimbursement. Further, GlobalVRS does not consider Spanish language and DeafBlind interpretation as “skills-based” routing, as these forms of interpretation are imperative for Spanish and DeafBlind individuals to communicate as American Sign Language is needed for English speaking individuals. Interestingly, Sorenson conveniently ignores that GlobalVRS provides Spanish language and DeafBlind interpretation in its characterization of GlobalVRS as failing to serve a “valid economic purpose.”

inability to attract much-needed investments, and have undermined competitor's abilities to compete. Sorenson conveniently ignores these facts.

Following Sorenson's arguments to their logical conclusion, the most "economically valid" provider would either be a monopoly provider or one of two or three entities operating in an oligopoly loosely analogous to today's airline industry; precisely what Sorenson appears to be suggesting. This runs counter to the Deaf Community's desire for consumer choice, Commission diversity objectives⁵ and ignores the reality of virtually all commercial markets and the economic principal of supplier diversity.⁶

Smaller providers do not seek subsidies⁷ but rather a competitive market place that accords them a realistic *opportunity* to compete. That opportunity has now been demonstrated in the record⁸ to not currently exist and is one of the key underlying reasons for the proposed rate structure.⁹ In the past the Commission considered that the tiered VRS structure might be inefficient and the possibility that it should be eliminated.¹⁰ More recently, it has concluded that the VRS market structure has seen little change, in part because the structural reforms the Commission envisioned in 2013 have been slow to arrive.¹¹ To assign any weight to past Commission considerations regarding the tiered rate structure, now more than six and four years

⁵ 2017 FNPRM at 86 citing to *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, Report and Order and Order on Reconsideration, 20 FCC Rcd 20577, 20588, 20590, paras. 21, 26 (2005). *In the Matter of Structure and Practices of the Video Relay Service Program Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 10-51 and 03-123, *Expert Report of Harold Furchtgott-Roth* (April 2017) [*Furchtgott-Roth Report*] at page 10.

⁶ Including today's telecommunications market, which is subject to far less regulatory oversight than is the Program. See generally *Furchtgott-Roth Report* at pages 13 and 14.

⁷ *Id.* page 51.

⁸ See e.g. 2017 FNPRM at 87, "Rolka Loube reports that four of the five providers continue to incur per-minute costs that are higher than the weighted average per-minute cost of providing VRS." Citing to VRS industry reported cost data provided to the Commission staff by Rolka Loube (Feb. 8, 2017); *Furchtgott-Roth Report* beginning at page 8.

⁹ To be sure, "no party has offered any valid justification for preserving tiers in the long run." *Sorenson Comments* page 50. The proposed tier structure is seen as an interim step to move toward the very type of competitive "market" that Sorenson purports to currently exist.

¹⁰ *Sorenson Comments* pages 49, 50.

¹¹ 2017 FNPRM at 88.

since, respectively, is to ask the Commission to ignore its *current* conclusions as fully substantiated in the record.

Adoption of the cost reimbursement proposal as proposed is imperative to maintain consumer choice, Program stability, and move toward promised reforms that enable providers of all sizes to compete fairly and efficiently. The threat of continued cost reimbursement rate reductions have been debilitating for all providers, and smaller providers such as GlobalVRS in particular.¹² Any threat of continued delay under legal challenges calculated to cripple – if not outright eliminate – all competition, is a threat not only to competitive providers, but to the integrity and longevity of the Program itself, and ultimately to the Deaf Community. Such a threat should be vigorously challenged.

The Commission is at the cusp of reforming a Program that supports consumer choice. The dominant carrier seeks to prevent the Commission from doing so. Now is the time for the Commission to act in adopting the proposed cost reimbursement structure and set a course for an effective, equitable Program that serves the Public, and not special interests.

[Signature on following page.]

¹² The 2016 “rate freeze” accorded GlobalVRS a limited opportunity to stabilize its operations despite the Fund Administrator’s confirmation that the Company was not being compensated for its allowable costs. What stabilization GlobalVRS was able to achieve was quickly undermined once the freeze ended. GlobalVRS now again finds itself at the precipice of its exiting the market.

Respectfully submitted this 4th day of May, 2017,

ASL SERVICES HOLDINGS, LLC dba
GlobalVRS

By: /s/ Angela Roth
Angela Roth
President and Chief Executive Officer
3700 Commerce Boulevard, Suite 216
Kissimmee, Florida 34741
Telephone: 407.518.7900

Andrew O. Isar
Miller Isar, Inc.
4304 92nd Avenue NW
Gig Harbor, WA 98335
Telephone : 253.851.6700

Regulatory Consultants to
ASL Services Holdings, LLC dba
GlobalVRS